

May 20, 2014

To: Members of the Committee on Financial Services

From: James C. Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: Upcoming Votes on H.R. 2673 and H.R. 4521

On Thursday, May 22, the House Financial Services Committee is scheduled to vote on two important mortgage related measures. The American Bankers Association, the ABA/State Alliance Regulatory Task Force and state bankers associations throughout the country are pleased the Committee will be taking up these measures and we ask that the Committee approve these bills with a strong bipartisan vote.

H.R. 2673, the Portfolio Lending and Mortgage Access Act introduced by Representative Andy Barr (R-KY), would allow banks who originate a loan and hold it in portfolio for the whole life of the loan to meet the Ability to Repay and Qualified Mortgage requirements. H.R. 4521, the Community Institution Mortgage Relief Act introduced by Representative Blaine Luetkemeyer (R-MO), would expand the small services exception to include services of 20,000 mortgage loans or less and would revise the small creditor exemption to include loans that are held by creditors with assets of \$10 billion or less. Both of the measures will help consumers and financial institutions by providing greater lending options without imposing additional challenges and costs.

Some members of the Committee have raised questions on how portfolio loans work and the current escrow requirements. To help clarify those issues, I have attached a backgrounder on each topic. In addition, I have attached a copy of a joint ABA/state bankers association letter in support of H.R. 2673 and H.R. 4521.

I hope you find this information helpful. If you have any questions, please do not hesitate to contact me at 202-663-5359 or [jballent@aba.com](mailto:jballent@aba.com).

[ABA Backgrounder on H.R. 2673](#)

[ABA Backgrounder on H.R. 4521](#)

[ABA/State Bankers Associations Letter](#)